

## Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 FEA-01 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 DODE-00 EB-07 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /127 W

----- 067379

R 101450Z SEP 76

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 6730

USDOC WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS: BENC, ENRG, NI

SUBJECT: MAJOR PROJECT FOLLOWUP: PIPELINES

REF: (A) LAGOS 9606 (B) MOSCOW 13585

1. LOCAL WILLIAMS INTERNATIONAL REPRESENTATIVE TOLD EMBOFF  
HE UNDERSTANDS FEDERAL EXECUTIVE COUNCIL HAS APPROVED FINAL  
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LIST OF FIRMS WHICH WILL BE AWARDED CONTRACTS FOR SECTIONS

OF 2,700 KILOMETER PETROLEUM PIPELINE PROJECT. CONTRARY TO PREVIOUS EXPECTATIONS AND STATEMENTS BY MINISTRY OF PETROLEUM RESOURCES (MPR), OFFICIALS, ACCORDING TO WILLIAMS REP ONLY THREE FIRMS INCLUDED. THESE ARE WILLIAMS INTERNATIONAL OF U.S., MONTUBI OF ITALY, AND V/O TSVETMETPROMEXPORT OF USSR.

2. WILLIAMS REP SAID HIS COMPANY SENDING OFFICIALS TO LAGOS FOR TALKS WITH MPR AFTERNOON OF FRIDAY, SEPTEMBER 10. HE HAS HEARD WILLIAMS WILL LIKELY GET TOUGH PORT CARCOURT TO MAKURDI SECTIONS TOTALLING 387 KILOMETERS. THIS LEAVES LION'S SHARE TO ITALIANS AND RUSSIANS. WILLIAMS MAN BELIEVES MONTUBI WILL BE OVEREXTENDED AND WILL THEREFORE SUBCONTRACT PART OF ITS WORK TO SNAMPROGETTI.

3. TSVETMETPROMEXPORT WAS NOT AMONG FIRMS ORIGINALLY PREQUALIFIED FOR OIL PIPELINES, NOR DID IT SUBMIT BID IN ACCORDANCE WITH DEADLINES FOLLOWED BY OTHER FIRMS. IT ENTERED SCENE VERY LATE IN THE GAME, AFTER ALL OTHER COMPANIES HAD LONG SINCE SUBMITTED BIDS, APPARENTLY IN PARTNERSHIP WITH INTERNATIONAL MANAGEMENT AND ENGINEERING GROUP LIMITED (IMEG), A CONSULTING FIRM WITH OFFICES IN LONDON, TEHRAN, AND NEW YORK. IMEG SAID TO BE OWNED BY HOLDING COMPANY CONTROLLED BY AN IRANIAN NAMED KEMAL AZARTE WHO IS MARRIED TO THE SISTER OF THE SHAH'S WIFE. IMEG OFFICIAL NAMED IAN BOHLER WHO HAS BEEN HANDLING PIPELINE TALKS HAS STAYED AT HOME OF IRANIAN AMBASSADOR WHEN IN LAGOS.

4. IMEG HAS CERTAINLY DEVELOPED INTERESTING TRACK RECORD IN NIGERIA. IT IS OFFICIAL CONSULTANT TO FMG FOR GAS GATHERING PROJECTS. THIS INCLUDES NATIONWIDE TRANSMISSION SYSTEM WHICH IS TO FEED PROPOSED LNG AND PETROCHEMICAL COMPLEX, AREA IN WHICH NEITHER OF PROSPECTIVE OPERATING PARTNERS, SHELL-BP AND PHILLIPS-AGIP, BELIEVES IMEG IS OVERLY COMPETENT OR HAS SEEN ANY SIGN OF IMEG ACTIVITY. ALSO ENCOMPASSES SEPARATE GAS PIPELINE TO PROPOSED AJAKUTA STEEL COMPLEX. U.S. FIRM WHICH HAD JOINED WITH IMEG TO BID ON OIL PIPELINES WAS DISQUALIFIED BY MPR ON GROUNDS IMEG POSITION CONSTITUTED CONFLICT OF INTEREST (THOUGH APPARENTLY AME ETHICS NOT APPLIED IN CASE OF RUSSIAN FIRM). IMEG ALSO WAS HEAVILY INVOLVED IN APPARENTLY UNSUCCESSFUL WHEELING AND DEALING TO CONVINCE FMG TO BUY OCCIDENTAL PETROLEUM REFINERY ORIGINALLY INTENDED FOR CANVEY ISLAND IN BRITAIN AS SUBSTITUTE FOR GRASS ROOTS REFINERY TO BE SITED IN KADUNA. IMEG OFFICIAL, WHO WAS LIMITED OFFICIAL USE

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PERSONALLY RETAINED BY OXY'S ARMAND HAMMER TO SELL CANVEY ISLAND REFINERY, ONCE TOLD EMBOFF THAT RUSSIANS WERE ANXIOUS TO CAPTURE CONTRACTS IN NIGERIA AND HAD OFFERED TO GUARANTEE IMEG CONSULTING WORK ON FUTURE RUSSIAN-IRANIAN GAS PIPELINES IF IMEG COULD ARRANGE TO THROW AJAKUTA GAS LINE JOB TO RUSSIAN FIRM. IMEG OFFICIAL SAID HE DEMURRED IN VIEW OF CONFLICT OF INTEREST AS FMG'S GAS LINE CONSULTANT. HOWEVER, IMEG SEEMS TO HAVE FOUND OTHER WAYS OF GETTING PROFITABLE CONTRACTS FOR RUSSIANS, THIS TIME ON OIL

PIPELINES.

5. EMBASSY WOULD BE GRATEFUL FOR ANY LIGHT WHICH EMBASSY TEHRAN  
OR EMBASSY BERN CAN SHED OF IMEG AND THOSE WHO CONTROL IT

6. EMBASSY GREATLY APPRECIATES PROMPT RESPONSE FROM EMBASSY  
MOSCOW (REFTEL B) REIDENTITY OF V/O TSVETMETPROMEXPORT.  
EASUM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PIPELINES, PROPOSALS (BID), CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760974/aaaacksp.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
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**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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